



U.S. Department
of Transportation
Federal Aviation
Administration

Advisory Circular

Subject: Scope and Recommended Content
for an Airworthiness Agreement
Between a Certificate Holder and a
Maintenance Provider

Date: 6/18/24

Initiated by: AFS-300

AC No: 120-106B

Change:

- 1 PURPOSE OF THIS ADVISORY CIRCULAR (AC).** This AC outlines the scope and recommended content for airworthiness agreements between a certificate holder (CH) and its contract maintenance providers (CMP). It explains the necessity to interject specific requirements into an airworthiness agreement to ensure the CH fully follows the requirements imposed by Title 14 of the Code of Federal Regulations (14 CFR). The CH has the primary responsibility for the airworthiness of its aircraft and must ensure the proper controls are in place to assess, qualify, and authorize work performed for it by other persons regardless of whether a certificated or noncertificated person performs the work.
 - 1.1 Not Mandatory or Regulatory.** This guidance is neither mandatory nor regulatory in nature and does not constitute a regulation. It describes an acceptable means, but not the only means, for content of an airworthiness agreement between a CH and a maintenance provider. Terms such as “should,” “may,” and “must” are for ensuring the applicability of this method of compliance. These guidelines are not mandatory and are taken from extensive Federal Aviation Administration (FAA) and industry experience in finding successful compliance with the applicable regulations.
 - 1.2 No Changes to Regulations.** This document does not change, create any additional, authorize changes in, or permit deviations from existing regulatory requirements. The contents of this document do not have the force and effect of law and are not meant to bind the public in any way, and the document is intended only to provide information to the public regarding existing requirements under the law or agency policies.
- 2 AUDIENCE.** The primary audience for this AC is CHs that, as authorized by 14 CFR part [121](#), § [121.379\(a\)](#) and part [135](#), § [135.437\(a\)](#), make arrangements with other persons for the performance of maintenance, preventive maintenance, and alterations as provided in their manual. The secondary audience for this AC includes certificated repair stations (CRS) and noncertificated entities that perform or arrange for the performance of maintenance on behalf of a CH.
- 3 WHERE YOU CAN FIND THIS AC.** You can find this AC on the FAA’s website at https://www.faa.gov/regulations_policies/advisory_circulars and the Dynamic Regulatory System (DRS) at <https://drs.faa.gov>.

- 4 WHAT THIS AC CANCELS.** AC 120-106A, Scope and Recommended Content for a Contractual Agreement Between an Air Carrier and a Maintenance Provider, dated January 4, 2016, is canceled.

5 TERMS.

- 5.1 Maintenance Provider.** Sections [121.368\(a\)\(1\)](#) and [135.426\(a\)\(1\)](#) define a maintenance provider as “any person who performs maintenance, preventive maintenance, or an alteration for a certificate holder other than a person who is trained by and employed directly by that certificate holder.” For example, a maintenance, repair, and overhaul (MRO) facility is a maintenance provider. In the past, many nonregulatory words and terms have been used in the aviation industry to describe a person who performs maintenance, preventive maintenance, and alterations for a CH under the provisions of §§ 121.379(a) and 135.437, such as outsource, contract, emergency, vendor, and on call.
- 5.2 Contract Maintenance.** The term “contract maintenance” means any maintenance, preventive maintenance, or alterations performed by a maintenance provider on behalf of the CH.
- 5.3 Airworthiness Agreement.** Regarding the performance of maintenance, preventive maintenance, and alterations, an airworthiness agreement defines the extent of the arrangement between a CH and a maintenance provider. The airworthiness agreement should clearly say how the maintenance provider will perform the requested maintenance along with any other requirements of the CH’s Continuous Airworthiness Maintenance Program (CAMP) (refer to §§ 121.379 and 135.437). Regardless of who performs the maintenance, the CH is still primarily responsible for any maintenance performed on its aircraft (refer to §§ 121.368(e) and 135.426(e)).

6 REGULATORY REQUIREMENTS.

- 6.1 Adequate Organization.** Sections [121.365](#) and [135.423](#) state CHs must ensure the person or persons, as described in 14 CFR part [1](#), § [1.1](#), with whom it arranges to perform maintenance has an organization capable of handling the work to be performed. Furthermore, if Required Inspection Items (RII) are completed by the maintenance provider, the inspection and maintenance must be separated in the provider’s organization. The person performing the required inspection must be under the control of the inspection unit, which must be separate from the other maintenance, preventive maintenance, and alteration functions (refer to §§ [121.369\(b\)\(8\)](#), [121.371\(b\)](#), [135.427\(b\)\(8\)](#), and [135.429\(b\)](#)). If the CH’s CAMP or procedures require specific compliance aspects, the CH must be able to verify the maintenance provider is equally capable of following the manual and procedures. The CH’s Continuing Analysis and Surveillance System (CASS) must verify this (refer to §§ [121.373\(a\)](#) and [135.431](#)).
- 6.2 Maintenance Program.** Refer to §§ [121.367](#) and [135.425](#), which state, in part, the CH must ensure the maintenance provider will perform the contracted work in accordance with the CH’s CAMP. That means the information necessary to ensure compliance with the CAMP, such as the maintenance manual, is available to the maintenance provider

before work is to begin. The manual must have procedures for the maintenance provider to follow that ensures the maintenance provider follows the CAMP procedures (refer to §§ 121.368(c) and 135.426(c)). Furthermore, the CH must be able to verify the maintenance provider has competent personnel, adequate equipment, and facilities as required by regulations. Through onsite auditing and oversight, the CH can validate that aircraft are returned to service in accordance with the provisions of its CAMP (refer to §§ [121.363](#), 121.367, [121.709](#), [135.413](#), 135.423, 135.425, and [135.443](#)).

6.3 Manual Requirements. Sections 121.369 and 135.427 state the CH must provide a manual covering the administration of its CAMP. The manual(s) often include specific methods for complying with the enumerated paragraphs of this regulatory section. The CH must provide the maintenance provider with the necessary sections of its manual applicable to the work performed (refer to §§ 121.368 and 135.426). The CH and the maintenance provider are bound to verify compliance with the information provided in the CH's manual. Safety controls, such as the areas outlined in this AC, should be included in the airworthiness agreement for this purpose.

6.4 Continuing Analysis and Surveillance System (CASS). Sections 121.368(f) and 135.426(f) require the CH's CASS hold procedures for oversight of all contracted work.

6.4.1 Continuing Maintenance Provider Oversight. Verifying that each one of the CH's maintenance providers are in continuous compliance is a major function of the CASS. CH management should use a risk-based process for establishing a schedule for auditing and inspecting each maintenance provider's performance under airworthiness agreements. The risk-based process may result in a determination that some of the maintenance providers do not require an onsite audit. Consistent with the performance wording of §§ 121.373 and 135.431, the audits that the CH accomplishes should be primarily work-in-progress audits that determine if the maintenance personnel are following the CAMP and the provisions of the airworthiness agreement. The audits should be accomplished by trained auditors and the results analyzed by trained analysts. The results of the analysis should permit CH management to determine each maintenance provider's continuing compliance with part 121 subpart [L](#) or part 135 subpart [J](#) and the CH's CAMP as appropriate and warranting continued use.

6.4.2 Corrective Action. The CH must have corrective action taken for any deficiencies or inadequacies found in its CAMP, which includes work performed on its behalf by a maintenance provider. In addition, the CH should have a process for its onsite representative to document findings and corrective action taken that may not be associated with any scheduled audit or review process. These findings should also be included in the CH's CASS and is essential to show deficiencies or inadequacies in the CH's CAMP (refer to §§ 121.373 and 135.431).

Note: Refer to AC [120-16](#), Air Carrier Maintenance Programs, for more information on the 14 CFR regulatory requirements for contract maintenance.

7 DEVELOPING AN AIRWORTHINESS AGREEMENT.

- 7.1 Develop Policies and Procedures.** The airworthiness agreement will be set up by the CH and agreed upon by both parties. The airworthiness agreement should clearly state: “All policies and procedures are mutually agreed upon.”
- 7.2 Subcontracted Maintenance.** Airworthiness agreements should fit the scope of work each maintenance provider will perform on behalf of the CH. The CH’s airworthiness responsibility does not stop at the original maintenance provider; it continues with the subcontractors of the original maintenance provider. The CH must ensure that CASS oversight addresses all levels of contract maintenance. It does not matter how many levels of contract maintenance are provided to the CH; the CH is still responsible (refer to §§ 121.368(e) and 135.426(e)).
- 7.3 Scope of Work.** The scope of work performed will dictate the depth of supervision, information exchange, and auditing needed to ensure compliance with the CH’s CAMP. The more extensive the work, the CH should expect more training, information, and oversight. A CH’s CAMP will dictate the level of training needed for specific tasks following the CAMP requirements. Any contract maintenance will be carried out as if the CH was doing the maintenance (refer to §§ 121.368(e) and 135.426(e)).

8 AIRWORTHINESS AGREEMENT CONTENT. To ensure compliance with specific sections of 14 CFR, the airworthiness agreement between the CH and the maintenance provider should address all sides of maintenance that the maintenance provider will carry out on behalf of the CH. As applicable, the airworthiness agreement should include, yet not limited to, the following areas of the CAMP:

- 8.1 Proprietary Data.** Many times, CH maintenance manuals have specific information for in-house maintenance. These manuals may have proprietary or other confidential information that a CH may not want to share with a maintenance provider. In many cases, the maintenance provider also works on competitors’ aircraft. This tends to make CHs reluctant to share their information. The proper handling of proprietary data issues should be specific in the airworthiness agreement between the CH and the maintenance provider.

Note: The proprietary or other confidential information referred to in this paragraph refers only to that information developed by a CH for purposes of its in-house maintenance. Proprietary or confidential information does not refer to other data to which the maintenance provider is entitled, such as instructions for continued airworthiness (ICA) under 14 CFR part [21](#), § [21.50\(b\)](#). Such data made available under the regulations may not be restricted by design approval holders (DAH), with respect to a CH’s maintenance manual, through restrictive language in the ICA or through restrictive access or use agreements.

- 8.2 Voluntary Reporting Data.** The maintenance provider works as an extension of the CH’s CAMP, and the resultant relationship of maintenance, preventive maintenance, and alterations must be transparent in all respects. The CH should ensure airworthiness agreements include provisions for reciprocal sharing of corrective action processes that

may have resulted from voluntary programs, such as Aviation Safety Action Program (ASAP) and Voluntary Disclosure Reporting Program (VDRP).

- 8.3 Required Inspection Item (RII).** If maintenance provider personnel are authorized to perform RIIs on behalf of a CH, RII procedures should be part of the airworthiness agreement. The RII inspection functions within the maintenance provider's organization must be separate from other maintenance, preventive maintenance, and alteration functions. If the CH's maintenance program or procedures require specific compliance aspects, the CH must be able to verify the maintenance provider is equally capable of following its manual and procedures. A listing of maintenance provider personnel trained and authorized for RIIs by the CH should be available for ready reference.
- 8.4 Regulatory Authority.** The airworthiness agreement should have provisions to ensure the FAA has that level of access provided in 14 CFR part [119](#), § [119.59](#) to any person supplying maintenance services to a CH, whether performed by a certificated or noncertificated entity.
- 8.5 Training Programs.** Training requirements should be included in an airworthiness agreement. The CH's training programs must have policy and procedures to ensure proper training of all maintenance personnel, including the personnel employed by its maintenance provider (certificated or noncertificated). Maintenance provider personnel must be:
- 8.5.1** Properly trained and qualified to support the CH's aircraft following the CAMP. The training provided to the maintenance provider should be the same or equivalent training afforded to the employees of the CH.
- 8.5.2** Properly certificated, trained, and authorized for RIIs following the CH's manual. There should not be any difference between the CH personnel or maintenance provider RII training or accomplishment and approval of RII tasks. The training syllabus should include the proper procedures for preparing, signing, and handling maintenance records following the CH procedures.
- 8.6 Duty Time.** CHs operating under part 121 must ensure that each maintenance provider, including subcontracted maintenance, follows the duty time requirements of § [121.377](#). There is no corresponding part 135 requirement for duty time.
- 8.7 Certificate Requirements.** Sections [121.378](#) and [135.435](#) require that within the United States, persons directly in charge of maintenance and/or performing required inspections must be appropriately certificated. The airworthiness agreement should cover this requirement to ensure there are no misunderstandings.
- 8.8 Authority to Perform.** The airworthiness agreement should clearly show the scope and nature of each party's authority and responsibility under the regulations following the CH's CAMP. The center of the relationship between the CH and its maintenance provider are the policies and procedures in the CH's CAMP. The CH must continually verify that its maintenance provider is able to show compliance with its CAMP, either through direct supervision or auditing. The airworthiness agreement sections associated with regulatory

compliance should enable the CH to verify the work performed following the CH's CAMP.

- 8.9 Records.** The airworthiness agreement should include procedures for documentation and retention of the contracted work as in the CH's CAMP. The airworthiness agreement should clearly address the records required by the CH, the length of time of record retention, and the form and manner of keeping the records.
- 8.10 Information Exchange.** The airworthiness agreement will hold the requirements of information exchanged based on the complexity of work. As an example, the maintenance provider will supply information to the CH needed for the CAMP reliability program. Additionally, since the maintenance provider must supply competent personnel and adequate facilities, a clause to notify the CH of changes in maintenance provider staffing, facilities, and ownership should be in the agreement.
- 8.11 Traceability of Components and Parts.** This could include everything from new parts to the scrapping and/or returning parts to the CH. Consideration should include parts exchanged being in the same configuration, including Service Bulletin (SB) and Airworthiness Directive (AD) compliance.
- 8.12 Airworthiness Release.** A CH may choose to train and authorize specific maintenance provider personnel to sign an airworthiness release on either an airworthiness release form or a logbook entry. For repair stations outside the United States, a person authorized by the repair station may sign the return to service. Foreign repair station personnel do not hold FAA airman certificates; they only hold an authorization from the repair station for which they are employed to return articles to service. The return to service must be prepared following the procedures in the CH's manual.
- 8.13 Subcontracting.** During maintenance, it may be necessary for the maintenance provider to use the services of a subcontractor. The airworthiness agreement should include procedures for the use of subcontractors, including how to receive approval from the CH before use.
- Note:** Refer to Commercial Aviation Safety Team (CAST) Safety Enhancement (SE) [018](#): Maintenance Procedures – Subcontractor Maintenance Guidance.
- 8.14 Policy and Procedures.** The maintenance provider must follow the CH's work instructions. The CH must have documented policies and procedures in its manual. These policies and procedures shall be included by reference or contained within the airworthiness agreement between the CH and the maintenance provider. The CH must review and accept all applicable maintenance provider procedures that are an exception to the CH's procedures. The method or procedures used for this evaluation process and the distribution methods of this process (including all other information dissemination required for the proper performance of the CH's maintenance by the maintenance provider) should be in the CH's manual.
- 8.15 Drug and Alcohol Testing.** Drug and alcohol testing policies are required by law. It is generally a good idea to include an overview of the program in the airworthiness

agreement. The following are examples of who must comply with 14 CFR part [120](#) drug and alcohol requirements:

- 8.15.1** All operators certificated under part 119 authorized to conduct operations under part 121 or 135; all air traffic control (ATC) facilities not operated by the FAA or by or under contract to the U.S. military; and all operators as defined in 14 CFR part [91](#), § [91.147](#).
- 8.15.2** All individuals who perform, either directly or by contract, a safety-sensitive function listed in part 120 subpart [E](#) or [F](#).
- 8.15.3** All 14 CFR part [145](#) CHs who perform safety-sensitive functions and elect to implement a drug and alcohol testing program under part 120.
- 8.15.4** All contractors who choose to implement a drug and alcohol testing program under part 120.
- 8.16 Hazardous Material (HAZMAT) Training.** CHs may consider the airworthiness agreement as an area to provide the written notification required by §§ [121.1005\(e\)](#) and [135.505\(e\)](#). This will ensure that each repair station performing work for the CH, or on the CH's behalf, understands the CH's policies and operations specification (OpSpec) authorization permitting, or prohibition against, the acceptance, rejection, handling, storage incidental to transport, and transportation of HAZMAT, including company material.
- 8.17 Aircraft Electronic Security.** Operators of aircraft certified with electronic system security special conditions are required to develop an Aircraft Network Security Program (ANSP). The operator's ANSP should acknowledge any interactions with a maintenance provider and should be part of any airworthiness agreement. ANSP specifics can be found in AC [119-1](#), Operational Authorization of Aircraft Network Security Program. The ANSP is authorized by the FAA with issuance of OpSpec D301, Aircraft Network Security Program (ANSP).
- 8.18 Calibrated Tooling.** CHs may choose to accept maintenance provider programs for calibrated tooling. The airworthiness agreement should address tooling, and the CH's manual should have procedures for evaluating a maintenance provider's calibrated tool program.
- 9 AC FEEDBACK FORM.** For your convenience, the AC Feedback Form is the last page of this AC. Note any deficiencies found, clarifications needed, or suggested improvements regarding the contents of this AC on the Feedback Form.



Hugh Thomas for
Lawrence Fields
Executive Director, Flight Standards Service

Advisory Circular Feedback Form

If you find an error in this AC, have recommendations for improving it, or have suggestions for new items/subjects to be added, you may let us know by contacting the Flight Standards Directives Management Officer at 9-AWA-AFB-120-Directives@faa.gov.

Subject: AC 120-106B, Scope and Recommended Content for an Airworthiness Agreement Between a Certificate Holder and a Maintenance Provider

Date: _____

Please check all appropriate line items:

An error (procedural or typographical) has been noted in paragraph _____ on page _____.

Recommend paragraph _____ on page _____ be changed as follows:

In a future change to this AC, please cover the following subject:
(Briefly describe what you want added.)

Other comments:

I would like to discuss the above. Please contact me.

Submitted by: _____

Date: _____